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10 | *Attorneys for Non-Party Spotify USA Inc.*

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA**

1 I, Sandra Alzetta, declare as follows:

2 1. I am a Vice President and the Global Head of Commerce and Customer
 3 Service at Spotify. I submit this declaration pursuant to Local Civil Rule 79-5(f)(3) in support of
 4 Epic Games, Inc.’s (“Epic”) Administrative Motion to Consider Whether Another Party’s Material
 5 Should Be Sealed (MDL Dkt. No. 775), which was filed on November 10, 2023.

6 2. I first began working at Spotify in January 2019, as Vice President, Global
 7 Head of Payments. I have been in my current role as Vice President, Global Head of Commerce
 8 and Customer Service, since December 2022. My responsibilities in that role include managing
 9 Spotify’s current payment methods, developing strategy with respect to future payment methods,
 10 and negotiating agreements with third parties. I can testify competently to the facts set forth in
 11 this declaration based on personal knowledge of those facts or on conversations I had with
 12 knowledgeable individuals at Spotify.

13 3. Spotify operates the world’s most popular audio streaming subscription
 14 service. Spotify’s streaming service first launched in Sweden in 2008 and launched in the United
 15 States in 2011. With a presence in more than 180 countries and territories, Spotify’s platform
 16 includes more than 574 million monthly active users, including 226 million subscribers to its
 17 Premium service as of September 30, 2023.

18 4. On November 10, 2023, Epic filed an Opposition (MDL Dkt. No. 774) to
 19 Spotify’s Administrative Motion to Seal Portions of the Deposition of Sandra Alzetta and Exhibits
 20 Thereto (MDL Dkt. No. 749) (“Spotify’s Motion”). Certain portions of Epic’s Opposition were
 21 redacted in the version that was filed on the public docket. At Spotify’s request, Epic provided an
 22 unredacted copy of the Opposition, which I have reviewed.

23 5. The redacted portions of Epic’s Opposition describe certain terms of
 24 Spotify’s carefully negotiated agreement with Google regarding User Choice Billing and the
 25 Google Play Store. That agreement is one of the documents that Spotify sought to seal in Spotify’s
 26 Motion; I understand that the parties have designated this agreement at trial as Exhibit 1532.

27 6. Exhibit 1532 was the product of years of discussions between Spotify and
 28 Google, and Spotify personnel invested thousands of hours discussing and analyzing the terms of

1 a potential agreement with Google. And implementing the payment-related flows contemplated
 2 by the agreement required both Google and Spotify to make significant investments in research
 3 and development. To this day, Spotify and Google continue to negotiate regarding the
 4 implementation of certain aspects of the agreement, including the payment-related terms that are
 5 described in Epic's Opposition.

6 7. The terms of Exhibit 1532—which was the first agreement of its kind, as
 7 Spotify was Google's first User Choice Billing partner—are highly confidential and commercially
 8 sensitive, and Spotify would be competitively harmed in its business by the disclosure of those
 9 terms through any public filing. Public disclosure of the terms of the agreement would
 10 disadvantage Spotify in its future negotiations with other parties, undercut deal terms, drive up the
 11 prices Spotify would pay (consequently impacting its revenues), and generally harm Spotify's
 12 ability to compete and grow its business. To protect the confidentiality of the agreement's terms,
 13 Section 7 of the agreement contains a confidentiality provision making its terms subject to a Non-
 14 Disclosure Agreement between the parties, and it prohibits Spotify and Google from making public
 15 statements about the UCB agreement without the other's written approval.

16 8. The market for audio and music streaming apps is highly competitive.
 17 Because Spotify does not directly control a widely-used channel for distributing its audio
 18 streaming app to a large number of users, our business model not only depends on our ability to
 19 acquire content or negotiate licenses with content rights holders on favorable terms, but also
 20 requires us to simultaneously negotiate with distribution partners to keep distribution costs as low
 21 as possible. Furthermore, Spotify strives to offer its audio streaming service on every type of
 22 device and on every platform where its users are present. As such, Spotify has thousands of
 23 agreements with payment partners and distribution partners (including original equipment
 24 manufacturers such as mobile, TV, gaming, and auto partners, as well as app providers and
 25 commercial partners), and it is continuously negotiating and renegotiating with those partners to
 26 ensure that its audio streaming service is available wherever its users are, on terms that are
 27 favorable for Spotify.

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1 9. If the terms of Spotify’s User Choice Billing agreement with Google were
2 publicly disclosed, Spotify’s existing and/or potential partners could use that information in
3 negotiations to extract terms and conditions from Spotify that they may not have otherwise been
4 able to. Spotify’s partners may also make demands in deal negotiations that Spotify cannot agree
5 to, which will cause harm to Spotify and to consumers if we cannot conclude those deals.
6 Moreover, Spotify’s audio-streaming competitors could use the information to inform their own
7 business strategies, including with respect to product strategy and distribution in competition
8 against Spotify. Spotify’s competitors could also demand the same or similar terms from their
9 own distribution partners, diminishing the competitive advantage that Spotify was able to obtain
10 through its years-long relationship with Google and the tens of thousands of hours that Spotify has
11 invested in negotiating and implementing the User Choice Billing agreement. For those reasons,
12 Spotify’s business model depends on the terms of its distribution agreements such as this one
13 remaining confidential.

14 I declare under penalty of perjury under the laws of the United States of America
15 that the foregoing is true and correct. Executed this November 17, 2023 in London, United
16 Kingdom.

/s/ Sandra Alzetta
Sandra Alzetta

ATTESTATION

I, Shane M. Palmer, am the ECF User whose ID and password are being used to file this document with the Clerk of the Court using CM/ECF, which will send electronic notification of such filing to all registered counsel. In compliance with Local Rule 5-1(i)(3), I hereby attest that all signatories concur with this filing.

Dated: November 17, 2023

/s/ Shane M. Palmer
Shane M. Palmer